



Department  
for International  
Development



# Performance Agreement

Between the United Kingdom of Great  
Britain and Northern Ireland and the  
United Nations Children's Fund



October 2017

## **Why providing humanitarian assistance is important**

1. The world is faced with a growing number of humanitarian crises, lasting longer and affecting a growing number of countries and individuals. In 2017, the humanitarian system has faced a number of challenges. Conflict, famine and disease still threaten millions of lives in Yemen, Somalia, South Sudan and Nigeria; devastation has been wrought by Hurricane Irma and Maria; and man-made conflict has caused thousands to flee Myanmar for Bangladesh. Reducing humanitarian need over the coming years will be key to achieving the Sustainable Development Goals (SDGs) and ensuring no one is left behind.
2. As an outward facing and generous nation, Britain continues to play a leading role in responding to humanitarian need and building a global crisis response system which is fit for purpose. By doing so, Britain helps to build a safer, more stable and prosperous world which benefits all.
3. The UK has more than doubled its humanitarian funding in the last five years, reaching £1.4 billion in 2015/16. We have responded to 32 crises including providing clean water for over 3.2 million people affected by war in Syria; shelter for 200,000 people in the aftermath of the earthquake in Nepal; 2,800 tonnes of aid to make Sierra Leone Ebola-free; clean water, hygiene and sanitation to 430,000 displaced Iraqis; and emergency support for the victims of war in Somalia, South Sudan and the Lake Chad region.
4. The UK's Multilateral and Bilateral Development Reviews made clear the UK's intention to use UK aid to make a transformational change to the wellbeing of the poorest people around the world. The UK was also a driving force behind the 2016 World Humanitarian Summit, where the world agreed a clear vision for a radically improved humanitarian system by 2030. As one of the largest humanitarian donors, we will use our funding to support progress in delivering reform, particularly through a more efficient and effective UN-led humanitarian system that can meet vulnerable people's long-term needs.

## **The importance of the United Nations Children's Fund**

5. UNICEF has a unique mandate to advocate for and promote the rights of the child, meet children's needs and expand their opportunities. UNICEF has important functions as a standard setter, leader, convenor and advocate, but also an effective programme delivery partner for DFID and other UK government departments, with a track record in providing children with safe shelter, nutrition, protection from disaster and conflict.
6. Furthermore, transparency and accountability are fundamental for UNICEF in delivering development and humanitarian results. In 2016, UNICEF scored as the 3<sup>rd</sup> most transparent organisation as part of the Aid Transparency Index. Additionally, UNICEF is one of the largest organisations in the world promoting and supporting the implementation of standards to help ensure the protection of the most vulnerable.
7. The UK's partnership with UNICEF is highly important, especially in challenging humanitarian settings and protracted crises in the Middle East and Africa. UNICEF operates across 190 countries in both development and humanitarian settings, including all those that the UK considers to be fragile.
8. UNICEF's Office of Emergency Programmes (EMOPS) is the focal point for coordinating UNICEF's emergency assistance, humanitarian policies, staff security and support to UNICEF offices in the

field, as well as strategic coordination with external humanitarian partners both within and outside the United Nations system. EMOPS leads efforts to ensure that UNICEF's role in complex emergencies and natural disasters is clearly defined, that the organisation is properly equipped to fulfil that role, and that all levels of the organisation are prepared to deliver its mandate. It aims to strengthen the ability of the organisation to respond during times of humanitarian crisis.

### **UK support and engagement with the United Nations Children's Fund**

9. UK support and engagement with UNICEF is considerable; reflecting our shared commitment to delivering the Sustainable Development Goals and to international humanitarian law and ensuring that UK humanitarian aid reaches the most marginalised. The UK is the second largest government donor to UNICEF. In 2016, DFID provided a total £355m to UNICEF, which comprised £48m core funding and £307m non-core contributions (including £173m humanitarian emergency funding).
10. In 2016 UK support to UNICEF's humanitarian action helped contribute to:
  - supplying 28.8 million people with safe drinking water
  - providing 24.2 million measles vaccinations to children
  - providing 11.7 million children with access to formal and non-formal education
  - 3 million children accessing psycho-social support
  - treating 2.4 million children with severe acute malnutrition

### **Reforming the United Nations System**

11. The UK is a committed member of the UN recognising its unique mandate and the critical role it plays in responding to global challenges, as a key part of the rules-based international system. Our vision is an effective UN that fulfils its key objectives as outlined in the UN Charter; and a UN that can respond effectively to the changing challenges of our time, building and sustaining peace, preventing conflict, responding effectively to humanitarian crises whilst preparing and delivering for the longer term.
12. A year on from agreeing the Sustainable Development Goals and the vision of the World Humanitarian Summit, and with unprecedented humanitarian needs continuing to grow, we require more from the UN system than ever before. The system needs to step up to meet this challenge, becoming more transparent, efficient and accountable. Fundamental to this is action on sexual abuse and exploitation, to ensure the strongest possible measures are in place to protect vulnerable populations, especially children.
13. It is firmly in the UK's national interests to work towards an international humanitarian system fit to withstand the challenges of 2018 and beyond. UN humanitarian agencies remain key agents for delivering international responses at scale. The UK will provide general funding – referred to by the UK as “core humanitarian funding” – to the United Nations Children's Fund (UNICEF) and –the Central Emergency Response Fund (CERF); the Office for the Coordination of Humanitarian Affairs (OCHA); the United Nations High Commissioner for Refugees (UNHCR); World Food Programme (WFP); World Health Organisation (WHO); and International Organisation of Migration (IOM). This funding will support agencies to maintain their capacity to respond rapidly to urgent humanitarian needs, shore-up operations in neglected or protracted crises, and provide core services from headquarters.

14. The UK and UNICEF want to see commitments made at the World Humanitarian Summit, in particular, the 'Grand Bargain' between the main humanitarian agencies and bilateral donors, implemented as soon as possible. We are determined that the UK's core voluntary contribution is also linked to ambitious reforms across the system. For the first time, we will make the release of 30% of funds contingent on all agencies' working together to deliver on the humanitarian agencies' WHS and Grand Bargain commitments, aligned with the key improvements identified in the UK's 2016 Multilateral Development Review as vital for the humanitarian system. These include leadership and collaboration, effectiveness, and accountability and transparency. Agencies will also need to do more to protect the most vulnerable people in crises.
15. Under the MoU signed by the UK and UNICEF on 21<sup>st</sup> and 22<sup>nd</sup> September 2017, four years of un-earmarked core humanitarian funding (potentially amounting to £32m in total) will be provided to UNICEF to support faster and more flexible humanitarian response. This will be underpinned by an individual Results Framework to allow DFID to track the results that UK funding helps to achieve. 30% of these funds from Year 2 will be dependent on achievement by UNICEF and the other UN Humanitarian Agencies within the UN Humanitarian Business Case of joint performance criteria that contribute to system-wide reform.

#### **Performance Agreement Criteria**

16. To support UN reform efforts and to ensure the UK taxpayers' contributions deliver the greatest possible impact, we have agreed four areas which *all* UN humanitarian agencies will prioritise for further improvement. These priority areas are underpinned by specific quantitative targets to be met by the partners for the performance-conditional funding component to be released.

#### **Leadership and Collaboration**

17. In this time of acute humanitarian need, more effective leadership and coordination are crucial to ensure available funds can make the greatest impact. To achieve this, competition for resources among agencies should give way to greater collaboration to deliver the best possible collective outcomes for people in need, regardless of legal status or what agencies can supply. In protracted or recurrent crises, more coherence between humanitarian and development action is vital in order to shrink humanitarian needs over the long term and achieve the SDGs.
18. To secure the UK's performance-conditional funding, UNICEF and the other agencies will together:
  - Contribute to **high quality joint impartial and timely assessments of need**.
  - Contribute to **a common, multi-year and comprehensive response plan** that draws on the expertise of humanitarian and development actors and engage where possible with national authorities.

## Effectiveness

19. A more effective response system should support countries at risk of humanitarian crises to be more resilient and prepared, well before disaster strikes. When an international humanitarian response is activated, aid should be delivered in the most effective and efficient way, offering the best value for money. In many settings, cash transfers, particularly digital transfers, are faster, safer and more cost-effective than providing relief in-kind, and they support local economies. We want to see cash transfers being used more systematically, and at scale, wherever appropriate.
20. To secure the UK's performance-conditional funding, UNICEF and the other agencies will together:
  - Ensure they **manages risk more effectively**, using risk analysis to target investment in emergency preparedness in high-risk countries and respond faster and better.
  - **Increase the use and coordination of cash-based programming** to deliver more efficient and effective responses, where appropriate.

## Transparency and Accountability

21. We need more transparent and accountable humanitarian responses. The UK wants to be able to track in real time what UK humanitarian funding pays for and delivers, using improved, consolidated and open data. Beyond agencies being accountable to donors such as the UK, we also want to see much greater accountability of the UN-led humanitarian system towards populations affected by crises. Agencies should ensure that affected people are better informed, allowed to participate in the decisions that affect them, and are ultimately empowered to make choices for themselves.
22. To secure the UK's performance-conditional funding, UNICEF and the other agencies will together:
  - **Role-model transparency** on financing and operations, working towards improved scores according to the International Aid Transparency Initiative.
  - Invest in systems that **communicate with and seek feedback from affected populations** to improve humanitarian responses.

## Protection of Vulnerable People

23. For the UN humanitarian agencies we will also expect to see collective action to improve the protection of vulnerable people. The UK and our UN Partners believe that upholding people's basic rights and freedoms in times of crisis is a moral duty for the UK and is core to the mandate to the UN humanitarian agencies. Protection should be at the centre of humanitarian action, with agreed standards to ensure the safety and dignity of those most marginalised and vulnerable in times of crises.
24. To secure the UK's performance-conditional funding, UNICEF and the other agencies will together:
  - Contribute to **comprehensive protection strategies** that address the needs of the most vulnerable in crises (most often women and children, people with disabilities and older people).

## **Performance Management**

25. UNICEF's performance against all performance indicators contained in DFID's Logframe will be assessed during Annual Review processes, Strategic Dialogues, and DFID reporting/review requirements including impartial independent monitoring and evaluation, where that is part of the Memorandum of Understanding. A decision will be made thereafter on the release of performance-conditional funding.
26. The UK is part of UNICEF's Executive Board and will work to support independent scrutiny of UNICEF, for example through Strategic Committees and Advisory Boards, where applicable, to ensure that it is following best practice in seeking value for money.
27. DFID and UNICEF have a zero tolerance approach towards fraud, bribery, theft, terrorist financing and corruption and any other misuse of funds.
28. UNICEF will work with DFID to address the suggestions from the completed Central Assurance Assessment.

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This Performance Agreement will be updated annually and re-published with refreshed targets for UNICEF future performance as required.

The Department for International Development:  
leading the UK government's fight against world poverty.

Department for International Development  
22 Whitehall  
London  
SW1A 2EG  
UK

and at:

Abercrombie House  
Eaglesham Road East  
Kilbride  
Glasgow  
G75 8EA  
UK

Tel: +44 (0)20 7023 0000

Fax: +44 (0)20 7023 0016

Website: [www.dfid.gov.uk](http://www.dfid.gov.uk)

Facebook: [www.facebook.com/ukdfid](http://www.facebook.com/ukdfid)

Twitter: @DFID\_UK

Email: [enquiry@dfid.gov.uk](mailto:enquiry@dfid.gov.uk)

Public enquiry point: 0845 3004100 or +44 1355 84 3132 (if you are calling from abroad)

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